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**CC:** Bob Goldberg [BGoldberg@realtors.org]; Bill Malkasian [BMalkasian@realtors.org]; Joe Ventrone [JVentrone@realtors.org]; Katie Johnson [kjohnson@realtors.org]; Evan Liddiard [ELiddiard@realtors.org]  
**Subject:** Top 75 Large Firm Directors Agenda and Briefing Book  
**Attachments:** 2018 Top 75 Directors Forum Midyear Agenda.pdf; Top 75 Briefing Book DC May 17, 2018.pdf  
**Flag:** Follow up

Dear RES Advisory Group:

Attached is the agenda and briefing book for the Top 75 Large Firm Directors Forum next week at NAR's midyear meetings. Please let me know if you plan to attend.

Sarah

Sarah Young

Director, Real Estate Services | Advocacy

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The NATIONAL ASSOCIATION OF REALTORS® is an unrivaled advocate and resource in the real estate market for its members and their clients, and only members of NAR can call themselves REALTORS®.

**EXHIBIT**  
**980**

**NATIONAL ASSOCIATION OF REALTORS®**  
**2018 REALTORS® LEGISLATIVE MEETINGS**  
**TOP 75 LARGE RESIDENTIAL FIRM NAR DIRECTORS FORUM**  
May 17, 2018, 1:00PM - 3:00PM  
Omni Shoreham Hotel • Empire Room • Lower Level

**AGENDA**

<b>CHAIR</b>	Jeff Barnett (CA)
<b>VICE CHAIR</b>	Mark Woodroof (TX)
<b>COMMITTEE LIAISON</b>	Christina Pappas (FL)
<b>STAFF EXECUTIVE</b>	Sarah Young (DC) & Patricia Tarhon (DC)

**PURPOSE**

The Top 75 residential real estate firms on the Board of Directors are determined annually based on the greatest number of REALTOR® and REALTOR®-associate members as of July 31 for the following year. The Top 75 Large Residential Firms Directors Forum is a closed meeting where the Top 75 Large Residential Directors discuss hot button federal policy and residential real estate business issues. The Chair and Vice-Chair of the Real Estate Services (RES) Advisory Group set the forum agenda and run the meeting.

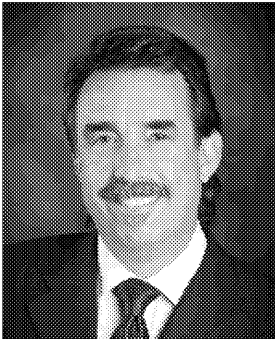
1:00PM – 1:10 PM	I.	Welcome and Introductions: Jeff Barnett, 2018 RES Chair
1:10PM – 1:20PM	II.	RPAC and Corporate Ally Program Update a) Mark Woodroof, 2018 RES Vice-Chair b) Helen Hanna Casey, 2018 Corporate Ally Program Chair
1:20PM – 2:00PM	III.	Redfin Presentation: Glenn Kelman, CEO, Redfin
2:00PM – 2:30PM	IV.	Legal Update: Katie Johnson, NAR Senior Vice-President and General Counsel
2:30PM – 2:50PM	V.	Tax Update: Evan Liddiard, NAR Senior Tax Policy Analyst and CPA
2:50PM – 3:00PM	VI.	Upstream Update: Dan Elsea, President of Brokerage Services, Real Estate One
3:00PM	VII.	Adjournment

**National Association of REALTORS®**  
**Top 75 Large Residential Firm Directors Forum Briefing Book**  
**May 17, 2018**

The following briefing book includes background materials for each meeting agenda item as well as links to additional information.

Thursday, May 17

**Introductions and RPAC Update**



Jeff Barnett, Chair of the Top 75 Large Residential Firm Directors Forum, will preside over the meeting. Mark Woodroof, Vice-Chair, will give an update on RPAC giving, specifically Top 75 major donor participation in 2018. Helen Hanna Casey, Chair of the Corporate Ally Program Advisory Board, will give an update on the CAP program and its mission for 2018. For more information on RPAC, how to become a major donor to NAR or joining the Corporate Ally Program, please click on the following links: [Frequently Asked Questions about RPAC](#), [Major Investor Levels and Information](#) and [Corporate Ally Program Information](#)

**Q &A with Glenn Kelman, CEO of Redfin**



Glen Kelman, CEO of Redfin, will present to the group and answer questions. Mr. Kelman has served as Redfin's President and Chief Executive Officer and as a member of the board of directors since March 2006 after serving in a number of executive-level roles since 2005. Before joining Redfin, Mr. Kelman was the co-founder of Plumtree Software, Inc., a provider of enterprise portal software products, where he served as Vice President of Marketing and Product Management from 1997 to 2004. Mr. Kelman holds a B.A. in English from University of California, Berkeley.

For more information, visit Redfin's blog at <https://www.redfin.com/blog/>

## Legal Update



Katie Johnson, NAR's Senior Vice-President and General Counsel, will give an update on pressing legal topics and moderate a discussion with the group. Below are some links to NAR legal resources on risk management, copyright, wire fraud and cybersecurity issues as well as an announcement to a recent Department of Justice workshop on competition in the real estate market.

Risk Management Updates:

<https://www.nar.realtor/topics/risk-management>

NAR Sample Agreement for Photographers:

<https://www.nar.realtor/law-and-ethics/who-owns-your-property-photos>

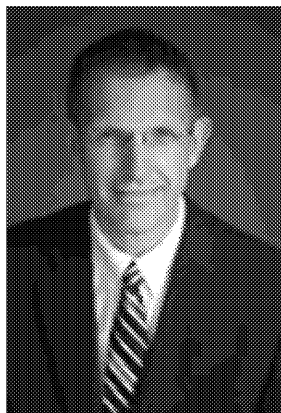
Copyright Issues:

<https://www.nar.realtor/videos/window-to-the-law-listing-video-copyright-issues>

DOJ/FTC Workshop on Competition:

<https://www.ftc.gov/news-events/press-releases/2018/04/ftc-department-justice-hold-workshop-competition-real-estate>

## Tax Reform Presentation



Evan Liddiard, NAR's Senior Tax Policy Representative, will focus his presentation on the new deduction for pass-through business income in last year's Tax Cuts and Jobs Act, which has huge implications for real estate professionals. This deduction is also known as the deduction for Qualified Business Income or Section 199A, which is where it is found in the Internal Revenue Code.

This provision allows sole proprietors and owners of pass-through businesses (i.e., partnerships, limited liability companies (LLCs), and S corporations) to claim a new deduction of as much as 20% of their "qualified business income," within certain limitations.

Based on the reading of the new statute, this could be a valuable deduction for many of NAR's members. However, as is pointed out in the articles linked below, this new deduction is very complex and shrouded in a great deal of uncertainty. This is because the statute is broadly written, the deduction is a brand new concept, and the Treasury Department and Internal Revenue Service have not yet issued guidance to answer some basic questions that arise from the nature of the deduction. Unfortunately, the Treasury Department has indicated that will likely be late summer or fall before the guidance is issued.

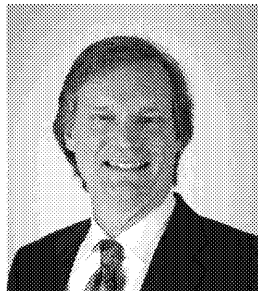
The goal of this presentation is to make this issue understandable enough that you will be able to have a conversation about this with your own business partners, agents or brokers.

Please be aware that NAR is monitoring the situation carefully and will send a letter to Treasury and IRS officials urging the most beneficial treatment for real estate envisioned by Congress.



- Washington Post Article on Pass-Through Deduction  
[https://www.washingtonpost.com/news/wonk/wp/2018/03/19/thats-the-game-tax-planners-look-for-loopholes-amid-uncertainty-over-new-law/?utm\\_term=.bd91c63586f6](https://www.washingtonpost.com/news/wonk/wp/2018/03/19/thats-the-game-tax-planners-look-for-loopholes-amid-uncertainty-over-new-law/?utm_term=.bd91c63586f6)
- New York Law Journal Article  
<https://www.law.com/newyorklawjournal/2018/02/27/new-deduction-for-pass-through-income-good-but-not-so-simple/?slreturn=20180207155130>

### **Upstream Update**



Dan Elsea, President of Brokerage Services for Real Estate One, will give an update on the Upstream Project. For the latest news on the Upstream project please visit: <http://www.upstreamre.com/>

## **COMMITTEE ACTION ITEMS**

Below are committee action items that may come before the Board of Directors. If you are interested in attending any of the committee meetings, the dates and locations are included.

### **State and Local Issues Mobilization Support Committee**

**Wednesday, May 16<sup>th</sup>, 9am – 12:30pm**

**Hilton, Georgetown Room**

The following anticipated grant requests are Action Items because - if approved by the Issues Mobilization Committee at their May 16 meeting - they will require subsequent approval by the NAR Executive Committee and Board of Directors:

1. Arizona Association: \$2 million grant request to assist their campaign to pass a November 2018 constitutional amendment ballot initiative that would preclude the imposition of future sales taxes on services.
2. Oregon Association: \$1 million grant request to assist their campaign to pass a November 2018 constitutional amendment ballot initiative clarifying that bills to reduce/eliminate real estate tax deductions fall within the definition of "tax increases" that require a supermajority (3/5) vote in both chambers of the state legislature.
3. Colorado Association: \$750,000 grant request to assist their campaign to defeat a November 2018 ballot initiative that would limit the number of new residential construction permits in certain cities/counties.

**Conventional Financing and Policy Committee**

**Wednesday, May 16<sup>th</sup>, 10:00am – 12:00pm**

**Hilton, Jefferson Room**

The Committee will likely have two action items, one from each group. Policy statements are still being developed.

**1. From the Student Loan Tax Relief Work Group:**

**Policy Statement:** That NAR support policies providing tax relief to student debt holders as well as employers who choose to assist with their employees' student loan debt burdens. In addition, NAR supports policies that provide tax relief to those borrowers with forgiven student debt."

**Rationale:** NAR recognizes the negative impact that increasing student debt loads have on the ability of individuals and families to purchase a home, especially for first-time buyers. Student debt has increased significantly over the past 20 years. Along with that increase, student debt has created higher risk of excess debt burden on students and potential for eventual default.

Generally, when student borrowers have their loans canceled or forgiven, their canceled indebtedness is included in their gross income and therefore considered taxable. Providing tax relief for canceled or forgiven student loan debt would be consistent with existing NAR policy regarding forgiven mortgage debt.

Ideally, the combination of a more robust student loan interest deduction, tax incentives for employers to help pay down employees' student debt, and student loan forgiveness tax relief, would assist student debt holders to more rapidly pay down their student loans, become homeowners and increase their net worth.

**2. From the Community Bank Regulatory Relief Work Group:**

**Policy Statement:** "That NAR support policies providing targeted compliance relief to appropriately sized community banks and credit unions to ensure such institutions can continue to offer safe and affordable mortgage credit to their local consumers."

**Rationale:** NAR believes having mortgage credit available from small, local lenders is critical to a robust housing market. To that end, undue regulatory burdens make it difficult for community-based lenders to compete against their much larger counterparts, which have more compliance resources. REALTORS® recognize that reasonably targeted regulatory relief to small financial institutions will increase competition necessary for a vibrant mortgage market without jeopardizing the overall safety and soundness of the U.S. financial system. Affording relief from inequitable compliance regulations will assist these institutions to strengthen and expand the community niche markets they now serve. These include lending for new home and commercial construction, small business expansion (e.g. Small Business Administration loans), rural, and underserved areas, which indirectly and directly improve the housing market.

### **Federal Taxation Committee**

**Wednesday, May 16<sup>th</sup>, 10:00am-12:00pm**

**Marriott, Virginia Suite**

The Committee will be considering 3 possible action items.

1. Ratification of the vote taken via Hub last month approving a motion that NAR support indexing for inflation the \$10,000 cap on the deduction for state and local property taxes and state and local income taxes (or sales taxes in lieu of income taxes).
2. Ratification of the vote taken via Hub last month approving a motion that NAR support the elimination of the marriage penalty in the state and local tax deduction cap of \$10,000.
3. A possible action item from a recommendation that the Student Loan Tax Relief Work Group has approved and forwarded to the Federal Taxation Committee.
  - a. The policy recommendation is as follows:
    - i. That NAR support policies providing tax relief to both student debt holders as well as employers who choose to assist with their employees' student loan debt burdens. In addition, NAR supports policies that provide tax relief to those borrowers with forgiven student debt.

### **Diversity Committee**

**Wednesday, May 16<sup>th</sup>, 10:00am-12:00pm**

**Omni, Congressional Room**

The Diversity Committee will recommend that NAR adopt a resolution commemorating the 50th Anniversary of the Fair Housing Act.

### **NAR HILL VISIT TALKING POINTS**

You can access all of NAR's Hill Visit talking points at [www.nar.realtor/HillVisitMaterials](http://www.nar.realtor/HillVisitMaterials). NAR's talking points focus on Net Neutrality, Flood Insurance, Tax Policy and Equal Access to Housing Opportunities. We have also created social tools for sharing on social media channels including "click to tweet" quotes from the talking points. See links below.

- Talking Points: [www.nar.realtor/HillVisitTalkingPoints](http://www.nar.realtor/HillVisitTalkingPoints)
- Social Tools (graphics for social media and click to tweet quotes from the talking points): [www.nar.realtor/HillVisitSocial](http://www.nar.realtor/HillVisitSocial) and [www.nar.realtor/HillVisitTweets](http://www.nar.realtor/HillVisitTweets)
- Town Hall: [www.nar.realtor/HillVisitTownHall](http://www.nar.realtor/HillVisitTownHall)
- Congressional District Maps: [www.nar.realtor/HillVisitMaps](http://www.nar.realtor/HillVisitMaps) (State level information has been updated with 2018 Q1 U.S. homeownership rate, and 2018 Q1 unemployment rate)
- Federal Priority Videos: [www.nar.realtor/HillVisitPriorities](http://www.nar.realtor/HillVisitPriorities)

Below are several other hot button policy issues that may come up during the Mid-year meetings.

**Association Health Plans:**

NAR submitted a comment letter to the Department of Labor on its proposed rule expanding access to association health plans. NAR expressed mostly strong support for the proposed regulation, which modifies and broadens the definition of “employer” to include “working owners,” opening the door to potentially allowing trade associations, including NAR, to offer health insurance coverage to members through the large group insurance market. The large group insurance market typically offers greater flexibility in insurance plan design and lower policy costs through improved negotiating power.

On March 20, NAR testified in support of expanded association health plans before the U.S. House Education and the Workforce Subcommittee on Health, Employment, Labor and Pensions. At the hearing, NAR spoke in favor of DOL’s proposal to enable self-employed individuals to participate in association health plans. Mike McGrew, a Realtor® for more than 30 years in Lawrence, Kansas and former NAR treasurer, testified on the association’s behalf.

- NAR’s Comment Letter on AHP Rule  
[narfocus.com/billdatabase/clientfiles/172/3/3116.pdf](http://narfocus.com/billdatabase/clientfiles/172/3/3116.pdf).
- NAR’s Testimony on AHPs  
[narfocus.com/billdatabase/clientfiles/172/1/3128.pdf](http://narfocus.com/billdatabase/clientfiles/172/1/3128.pdf)

**Alternative Credit Scoring Models:**

NAR has been very supportive of proposals that would allow alternative credit scoring models to be used to help determine a mortgage applicant’s creditworthiness. As you know, the decades old credit-scoring model currently used in the industry does not take into account consumer data on rent, utility, and cell phone bill payments, which disproportionately hurts African Americans, Latinos, and young people who may otherwise be creditworthy. If the Senate regulatory reform bill passes the House, we may finally see some movement from the GSEs on this issue.

NAR also responded to the Federal Housing Finance Agency’s (FHFA) recent Request for Information (RFI) on credit scoring for the GSEs. NAR noted that FHFA’s RFI does not go far enough to incorporate innovations in credit scoring. NAR recommended that FHFA allow the GSEs to use both new models and new data and create a framework for reviewing future innovations in credit scoring.

- NAR Letter to FHFA  
<http://narfocus.com/billdatabase/clientfiles/172/3/3132.pdf>
- NAR Letter in support of Senate Regulatory Relief Bill  
<http://narfocus.com/billdatabase/clientfiles/172/2/3123.pdf>



## **ADA Reform Act:**

The House passed HR 620, the ADA Education and Reform Act, by a vote of 225-192. NAR strongly supports this bipartisan bill that adds a "notice-and-cure" period to the Americans with Disabilities Act (ADA), giving business owners accused of a violation the opportunity to fix it before a costly legal process begins. In recent years, a small group of attorneys has taken advantage of the ADA's lack of a notice requirement and filed lawsuits indiscriminately against commercial property owners under the ADA. Those business owners, who often in good faith believe that they are in compliance, then have the choice of paying a settlement or hiring an attorney and taking the time to deal with a costly legal proceeding.

This bill does NOT address website accessibility requirements for businesses under the ADA, but NAR is working with a coalition of industry groups to explore legislative and/or regulatory guidance on that issue as well. Website accessibility lawsuits continue to be a concern as plaintiffs filed at least 814 federal lawsuits about allegedly inaccessible websites in 2017, including a number of class actions against businesses in a variety of industries, including real estate, alleging that their websites are not compliant with the ADA.

- NAR Video on ADA Website Accessibility  
<http://www.realtor.org/videos/window-to-the-law-accessible-websites-and-the-ada>
- NAR Response to DOJ Notice of Proposed Rulemaking  
<https://www.nar.realtor/articles/nar-comments-on-ada-website-accessibility>
- NAR ADA Reform Bill Support Letter  
<http://narfocus.com/billdatabase/clientfiles/172/2/3096.pdf>

## **Consumer Financial Protection Bureau (CFPB) Update**

### ***Industry Roundtable***

In February, NAR participated in an Industry Roundtable Discussion at the Bureau of Consumer Financial Protection (CFPB) with Acting Director Mulvaney. NAR joined other banking and consumer trade associations in providing feedback on important agency operations affecting members of the real estate and housing finance industries. The Director provided feedback on the new direction of the CFPB, including increased transparency and communication with agency staff, improved engagement with industry, and better coordination with federal and state examiners enforcing consumer protection laws. It was a great opportunity for NAR to connect with the new policy staff and highlight NAR priorities. The Bureau has recently issued a series of Requests for Information (RFIs), requesting evidence from the public on a range of topics including enforcement practices and inherited rules such as RESPA. NAR has submitted comment letters on the RFIs and continues to seek feedback from members wishing to weigh in on these important issues anonymously. Acting Director Mulvaney will be speaking during Midyear at the Regulatory Issues Forum on Tuesday, May 15 from 12:30-2:00 PM in the Marriott Wardman Park Ballroom.

### ***PHH Case and RESPA Enforcement***

On January 31, the U.S. Court of Appeals for the District of Columbia issued its long-awaited en banc decision in PHH v. CFPB. The court held that the structure of the CFPB is not unconstitutional and reinstated the three-judge panel's view that the CFPB misinterpreted RESPA provisions that permit payments for services rendered and goods provided. The reversal of the CFPB's interpretation of Section 8(c)(2) of RESPA should provide confidence to real estate brokers and agents when considering whether to enter into various marketing and advertising arrangements with lenders, title companies, and others. On March 8, NAR hosted RESPA expert Phil Schulman, partner at Mayer Brown, for a webinar to discuss the applicability of the PHH decision to marketing and services agreements, co-advertising campaigns, lead generation, and office/desk rentals. See the links below for more information for more information on the PHH case as well as a recording of Phil's webinar.

- Phil Schulman Webinar Recording (1 hr 19 min)  
<https://realtors.webex.com/realtors/lsr.php?RCID=0e084626246243feb6f990a05bf1b54a>
- PHH Case Background  
<https://www.nar.realtor/court-reinstates-decision-supporting-nar-position-on-marketing-service-agreements>

### ***Potential Reforms to the CFPB Structure***

A number of lawmakers are calling for structural reforms to the CFPB, and have introduced the "Financial Product Safety Commission Act of 2018." This legislation would transition the governance structure of the CFPB from a sole director to a five-person, bipartisan commission.

NAR continues to support the CFPB's mission to protect consumers' interests with regard to financial products and services. However, NAR believes a bipartisan commission will provide a more balanced and deliberative approach to supervision, regulation, and enforcement by encouraging input from all stakeholders. As we have seen with each new Administration, rules, guidance, and other decisions made by previous leadership may be overturned, resulting in confusion for regulated entities. These dramatic shifts in philosophy and approach create enormous regulatory uncertainty for the financial services and housing industries, which ultimately harms consumers, small businesses, and the overall economy. At NAR's 2017 mid-year legislative meetings in DC, NAR passed policy supporting a bi-partisan commission to lead the CFPB as opposed to concentrating all of the power into a single Director.

### ***RESPA Education***

NAR continues to educate members about RESPA compliance. NAR has developed educational materials for brokers to give their agents. NAR published a pocket card of Dos and Don'ts for co-marketing (see link below for word version) and Marketing Services Agreements (MSAs). As you know, the CFPB has been investigating Zillow's co-marketing product. We are closely following the CFPB's actions on this case and how it may impact the co-marketing tools that will be available to real estate agents and loan officers in the future.

- Dos and Don'ts for Co-marketing:  
<http://narfocus.com/billdatabase/clientfiles/172/4/2855.pdf>

- Dos and Don'ts for MSAs

<https://store.realtor.org/product/brochure/respa-do-s-and-don-ts-msas?sku=E126-123>

### **MLS Database Copyright Issue**

Last summer, the US Copyright Office issued requests for clarification to hundreds of MLSs regarding their MLS database copyright registration applications. The Office asserts that the applications do not demonstrate sufficient creativity in the arrangement, selection, or coordination of the compilation. This response is viewed as a major sea change for MLSs who have been granted this type of copyright protection for decades.

Many MLSs have obtained automated database copyright registrations protecting the arrangement, selection, and coordination of their MLS compilations. If the MLS owns all the underlying components of the database – meaning, the photos, text, and other listing content – then this copyright registration also gives those MLSs copyright protection in that content as well. It appears that a great number of MLSs obtain ownership of all listing content, so they have long viewed this type of copyright registration as an effective protection mechanism against a third party's unauthorized use of the listing content.

### **NAR Action:**

- NAR has met with Copyright Office officials on multiple occasions. NAR was able to secure a grace period during which the Copyright Office would not take any adverse action on pending applications. This grace period is intended to allow NAR and our members time to assess the situation and determine the best plan of action for addressing it.
- The Office has since agreed that MLS databases are sufficiently creative to warrant copyright protection. Now NAR is seeking the Office's approval of guidance documents that will enable MLSs to articulate sufficient creativity in the copyright registration applications.